

runs are vitally important to our economy, to thousands of people whose livelihoods rest on them. But there is something more important even than those who are professionals in these fields. Salmon are a distinct part of our society and of our culture. Everyone who grows up in the Pacific Northwest has his favorite stories—his or her own big catch, the thrill of the child catching that first salmon, or just of a summer cookout with the family with salmon on the grill. I would find it unacceptable that my grandchildren would not have in their lifetime the same opportunities that I have had.

I have also to confess that my thinking, along with that of many in the Pacific Northwest, has grown and expanded over the years to emphasize the vital importance of native salmon runs. We have spent much of our time building hatcheries and creating artificial runs where native runs once existed. Those hatcheries are important. They are an important supplement. But we now recognize that it is vital that we strengthen the native runs and help restore them at the same time.

I am convinced that the people of the Pacific Northwest are willing to pay money, money literally in the hundreds of millions and billions of dollars that has already been wasted, in order to restore these salmon runs, but at the same time the people of the Pacific Northwest want that money to be spent effectively. They also want the amount of money they are going to spend to be predictable, and they want it to be spent in a scientifically credible fashion.

Last November, the National Academy of Sciences, the most prestigious institute of science in the free world, came up with a set of reports indicating what we know and what we do not know and suggesting some courses of action. That report has been almost totally ignored by the Federal bureaucrats who are in charge of spending our money and telling us what to do.

So I believe we need a change. I think we need to change a system that has failed and come up with a system that will work. I believe that that system is most likely to be developed by the people who are going to pay the bills and benefit from any success and pay the penalty for any failure.

Mr. President, do you not agree that the people of our region are better capable of answering these questions than the bureaucrats here in Washington, DC? Should not authority over how we deal with these runs be turned over to us, collectively—our sportsmen, our commercial fishermen, our citizens in cities and towns, our irrigators and farmers, our Indian tribes? Are they not going to be able to come up with a better answer to this question than we have gotten so far from Washington, DC?

Mr. President, I am convinced that is the case. I am convinced that this Congress should require a significant amount of money to be spent on the

restoration of our salmon runs, should allow our people to spend more, if they wish to do so, should allow us to come up with a predictable number of dollars for this effort, and then, most vitally, should allow us, using the best science we can possibly find through these wonderful national and international scientists, to decide how best to spend that money so that we, you and I and all of us from the Pacific Northwest, may be able to pass on to our children and grandchildren the wonderful heritage of an abundant fishery at the same time that we preserve power for our cities and towns, water for our farms, rivers for our recreation, and safety for our citizens.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. GRAMS). The Senator from Texas.

Mr. GRAMM. Mr. President, I ask unanimous consent to proceed as in morning business for up to 20 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

BIG GOVERNMENT OVER? NO, BIGGEST GOVERNMENT EVER

Mr. GRAMM. Mr. President, we have received last week the President's official budget for 1997 and for the next 6 years thereafter. I would like to take some time this afternoon not to do the standard presentation that we all make, where we take the President's budget and say what in it is phony, what is smoke and mirrors, and what in it has no hope of coming true?

If people took the President's budget this year and did that, I think they could make a magnificent presentation because the President's budget is based on optimistic assumptions that things are going to get better without any change in policy to make them better.

But that is not what I want to do this afternoon. What I want to do this afternoon is to talk about the President's budget proposal from a point of view that we don't use enough, and that is, if we assume that everything in the President's budget is valid, if every word in here is backed up by sound policy, if everything the President assumes will happen will happen, if we grant the President every benefit of the doubt, then let us look historically at the kind of America that this budget will produce. That is what I would like to do for a few moments here this morning.

I would like to set it in historical perspective by using a series of charts. On this first chart I compare expenditures on national defense starting the day that World War II ended. So I look at the decade of the 1940's after World War II, the decade of the 1950's, 1960's, 1970's, 1980's, and then I look at the Clinton budget as projected for the next decade, in his own numbers.

To simplify the comparison and avoid the impact of inflation or overall growth in the economy, I have decided to look at budget expenditures as a

percentage of the total production of the American economy. So when I am going through these numbers, think of it as the Nation's overall income, the value of everything we produce and sell, and how much of that is going for these particular purposes.

Looked at in this way, this chart shows that in the second half of the 1940's, from 1945 to 1950, 7.9 cents out of every dollar earned by every American was spent on national defense. As the cold war accelerated, that grew to 10.6 cents out of every dollar. It fell off some in the 1960's to 8.9 cents out of every dollar. In the 1970's and 1980's, it was 6 cents out of every dollar.

If President Clinton's budget is adopted exactly as it is written, if every word in it turns out to be backed up by sound policy, and if everything it assumes will happen happens, under his policy we will, in the decade of the Clinton budget, be spending 3.4 percent of the Federal budget on national defense.

There are several important points here. First of all, that is the lowest expenditure on national defense—3.4 cents out of every dollar earned by every American going to national defense—since the 1930's.

Second, that is 43 percent less than we spent in the decade of the 1980's, and if every penny that has been cut out of defense had gone to deficit reduction, we would have a balanced Federal budget today.

Let me state it in another way. The whole peace dividend for winning the cold war, which allowed us in real terms to spend about \$150 billion less on defense every single year, every penny of the peace dividend has been seized and spent by Government. This is the first major victory in the history of America where the fruits of that victory—whether it was the Civil War, World War I or World War II—this will be the first time in American history that when the conflict ended we did not give the money back to the people we took it from to fight the conflict. Every penny of the peace dividend will have gone to Government and will have been spent on nondefense programs.

The second point I want to make is about social spending. Again, beginning the day World War II ended and for each of the decades, I have the percentage of all of the income in America that was spent by Government on non-defense programs, basically social programs with the overwhelming preponderance entitlement programs. Again, the level was 7.4 percent in the 1950's, it rose to 10.2 percent in the 1960's, rose to 14.6 cents out of every dollar earned by every American spent by Government on social programs in the 1970's. That rose to 17.1 percent in the 1980's and, under President Clinton's budget, if we met every savings proposal that he has, if all of his assumptions came true about saving money—and it would be the first budget in history where that ever happened—even under the best scenario,

President Clinton has promised the largest expenditure on social programs in the history of the United States of America. By his own numbers he will spend 17.3 cents out of every dollar earned by every American in Washington DC, through the Federal Government, on social programs.

So, when our President says the era of big Government is over, and when we are trying to assess what that really means, I do not know what he means when he says it but his budget spends 69 percent more on social programs, as a percentage of the income of all Americans, than we spent during the decade the great society programs began under Lyndon Johnson.

Taxes: Beginning the day that World War II ended, the American people have borne the following tax burdens. From 1945 to 1950, on average, Americans paid 16.5 cents out of every dollar they earned in taxes to the Federal Government. That has steadily risen, and under President Clinton's budget, if fully implemented, we would have the highest Federal tax burden in the history of the United States of America.

Under President Clinton's budget, if implemented, Americans would send 19.3 cents out of every dollar earned by every American, on average, to Washington to be spent by the Federal Government.

Let me sum this up on these three charts. President Clinton's budget calls for the lowest level of expenditure on defense since World War II—since the 1930's, the highest level of expenditures on social programs in the history of the United States of America, almost 70 percent higher as a percentage of our national income than we had in the mid-1960's at the peak of the Great Society, and Clinton's own budget calls for the largest tax burden in American history.

This is what the tax burden looks like if you plot it out, adding up State and local government. What you see by this chart is that, if implemented, President Clinton's budget would give us the largest tax burden ever borne by Americans at any time in the history of our country.

The President talks about a tax cut in his budget, but what really happens in his budget is that the tax cut is sunsetted and ends while the tax increases continue. By the time you get to the year 2001, we have actually a tax increase in the Clinton budget.

But now, to get down to why all this is relevant. What difference does it make that the Clinton budget has the highest social spending in American history? What difference does it make, other than to the taxpayer, that it has the highest tax burden in American history?

What I have plotted here is economic growth. This represents the rate of growth in the production of income and opportunity and jobs in America. These numbers are very revealing.

In the 1950's, the American economy grew at 4 percent a year on average.

What that means is that in the aggregate, the average family in America was seeing its income grow by roughly 4 percent a year.

In the decade of the 1960's, that grew to 4.4 percent, most of that growth in the first half of the 1960's.

By the 1970's, it was down to 3.2 percent.

In the 1980's, it was down to 2.8 percent, and in President Clinton's own optimistic assumptions, with his Government spending burden and his tax burden, his own budget concludes that, on average, for the next 10 years, we would have 2.3 percent economic growth, meaning that, whereas in the 1960's the average family could look forward to its income growing at 4.4 percent a year, under the President's program of taxing and spending, the average American family will be able to look forward to economic growth at roughly half the rate that we experienced in the 1960's.

Why is that relevant? Let me give you a figure. If the American economy for the next 20 years grew at 4 percent a year, which is about the rate it grew in the fifties and sixties, rather than at the rate that it will grow under the Clinton budget by his own assumptions, that would mean that the average family of four in America 20 years from now, would have \$40,157 more of income than they will have at President Clinton's growth rate.

Why is this budget proposed by the President so destructive? It is so destructive because it is giving America a future that is shortchanging the people who do the work and pay the taxes and pull the wagon in America. It is giving American families an economy that is growing at roughly half the rate it grew in the 1950's and the 1960's.

What that means is that when families sit down around their kitchen table every night and they dream the American dream and they make hard choices to make it come true, only roughly half as many families are going to achieve the American dream under the Clinton budget as would have achieved the American dream if we could go back to the kind of economic growth that we had for the first 20 years after 1945.

What really happened in the 1960's, and it happened roughly in 1965 when you look at the figures, is that America made a decision—a decision that was never debated and that there never was one single vote on it—but we made a decision that has profoundly affected our country. Prior to that point, for all of the 20th century, the American economy had grown at over 3 percent a year. From 1950 to 1965, the American economy had grown at over 4 percent a year. But beginning in the mid-1960's, we traded in an economy growing at 4 percent a year for a Government that has grown at 9 percent a year ever since.

Since the mid-1960's, the American Government has grown twice as fast as the income of the average American

family and, in recent years, three times as fast.

The net result is we have had a decline in jobs, in growth, and opportunity. When you ask Americans, "Are you confident your children are going to have a brighter future than you had?" and when over 60 percent say no, they clearly perceive what is happening in America.

I am opposed to the President's budget. I intend to work to defeat it. I intend to adopt an alternative, because I do not want the highest growth rates in American history for social programs. I do not want the highest tax burden in American history, and I do not want the lowest level of opportunity for working people in this country that we have ever had in the history of the United States of America. That is what this budget promises.

Budgets represent a vision for the future. They define a relationship between the Government and the people. The relationship that is defined in the Clinton budget is a relationship of Government getting bigger, of Government spending getting larger, of taxes getting higher and of opportunity getting smaller. That is not the future that I want.

Let me conclude by reminding my colleagues and anyone who might be listening that the President earlier this year vetoed a budget that balanced the Federal budget. The President vetoed a budget that, because it balanced the Federal budget, would have brought interest rates down by 2 percent, that would have saved the average family in my State in Texas \$2,754 a year on their mortgage payments because of lower mortgage rates, and would have given an average family of four a tax cut of \$1,000 a year which they could have invested in their own family, in their own future. If we had adopted that budget, we would not be looking at the lowest economic growth rate in American history.

I think it is vitally important, Mr. President, that we reject the Clinton budget, not because it is phony, not because most of its figures are made up, not because the numbers do not add up—all that is true—but the reason we should reject that budget is because it does not paint a future that America wants. Americans do not want higher Government spending, higher taxes and less growth. They want less Government. They want more freedom.

Our job is to see they get it. That is why I am opposed to the Clinton budget. That is why I am in favor of balancing the Federal budget by cutting spending. I thought it was important to come over today and talk about these numbers and give this speech because later this afternoon we are going to be voting on a spending bill that spends \$4 billion more than we set out in our appropriations earlier this year. The President is saying that he is going to veto this bill because it does not spend \$8 billion more than we set out in our appropriations earlier in the year.

Somehow there is a disconnect between what we are saying in Washington and what we are doing. If we want the return of jobs, growth and opportunity—if we want to restore the kind of opportunity that was routinely available to America when the Presiding Officer of the Senate was growing up and when I was growing up—we are going to have to change the way we do business.

We are going to have to spend less of the taxpayers' money in Washington, so that the taxpayer can keep it, so the taxpayer and the taxpayer's family can spend it, so that they can invest it in their future and, therefore, America's future. That is the difference between the Clinton vision and the vision of Republican Members of the House and the Senate.

I yield the floor, and I thank my colleague. I want to apologize to him. During the speech of our colleague, Senator GORTON, I had walked into the anteroom, and he did not see me here on the floor. I am sorry for the inconvenience.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. I thank my colleague from Texas for those comments. We try on the floor to respect those who have arrived earlier. I had not known that the distinguished Senator from Texas had been awaiting recognition. I walked in; he was not on the floor. But I learned a little by listening to Senator GRAMM, which I do when I listen to Senator GRAMM. I have had occasion to listen to Senator GRAMM a great deal over the past year and have learned from the Senator over the course of the last year in other activities I have undertaken.

THE OMNIBUS APPROPRIATIONS BILL

Mr. SPECTER. I have sought recognition, Mr. President, to express my chagrin and disappointment that we are apparently not going to have an omnibus appropriations bill, but later today are going to proceed with another continuing resolution. Perhaps it is appropriate on April 1, on April Fool's Day, that Washington, DC, again looks like a collective group of April fools unable to pass a budget, and on April Fool's Day unable to finish the business of the preceding year, 1995.

Within the past hour I have come from the conference of the House and Senate where very strenuous efforts have been made for the past several days to find a compromise on appropriations.

I have the honor to chair the Senate Subcommittee on Labor, Health and Human Services. Perhaps I use the wrong word when I say it is an "honor." It has been really an embarrassment that we have not been able to bring a bill, the legislation, to fruition for funding which should have been in place by last October 1. But that bill

has been tied up for a variety of reasons, with equal blame apportioned on both sides of the aisle, while we have been in gridlock on a number of matters.

For many, many weeks I have been pressing very hard to try to get the matter resolved, have been working with Chief of Staff Leon Panetta to find offsets, have scheduled a series of hearings with the Secretaries of the three Departments—Labor, Health and Human Services, and Education—and we finally brought the bill to the Senate floor and finally got it passed by a very substantial number, 79 to 21.

The key part of that bill was a bipartisan amendment worked out by the distinguished Senator from Iowa, Senator HARKIN, and myself, Senator HARKIN being the ranking member of the committee. We passed that amendment 84 to 16. During about 20 hours of conferencing, Mr. President, I think we had been able to finally thread the needle to find a bill which would probably have been signed by the President and which was acceptable to the House of Representatives.

That is pretty hard to do in Washington, DC, today. There is considerably more flexibility in the U.S. Senate in trying to arrive at accommodation. We passed the bill which had the amendment which Senator HARKIN and I had constructed and fashioned, which added \$2.7 billion to some very important functions, to education, worker safety, and to health and human services.

Notwithstanding that addition, the President had sent word that he wanted some \$484 million more. Well, we were at the break point with the bill which we conferred with the House of Representatives when we had called for \$2.7 billion more in spending.

Let me point out that that \$2.7 billion was endorsed by both leaders, Senator DOLE and Senator DASCHLE, 37 out of the 53 Republicans voted for the amendment, 37 Republicans voted for it and 16 voted against it, more than two-thirds of our Republican body voted for it, which is a very, very strong showing, given the constituency of our Senate caucus, and the amendment received all of the 47 Democratic votes. So, when we went to conference with this bill I thought, Senator HARKIN thought, Senator HATFIELD thought, that we were within range to have it signed by the President. We were not sure, but we thought we were within that range.

We also constructed the bill so that it would be agreed to by our House colleagues. We were not sure about that either. It was very, very tough on negotiations. Finally, the House Labor, Health and Human Services conferees approved the bill by a vote of 6 to 5. You cannot get any closer than 6 to 5. But what we were veritably doing is running between the raindrops in a hurricane to find something which would satisfy our House colleagues and something which might be signed by the President.

Regrettably, that is all for naught or mostly all for naught—mostly for naught or probably for naught—because when we do not get the bill and have a 3-week hiatus, it all unravels.

Senator Baker was the majority leader when I first came to this body. I learned a great deal from Senator Baker. One of his famous statements—we were here at 11:30 one night. We were on the finance bill. There were 63 amendments pending. Senator Baker said, "We're going to proceed and finish this bill because amendments, like mushrooms, grow overnight." We stayed through until 6:30 in the morning. We had some accepted. We had half a dozen votes. Many dropped by the wayside. We finished the bill.

The dynamism in the U.S. Senate and the House is, if you do not push to get it through, it all unravels. We were on the verge of getting it through. I compliment our distinguished colleague, Senator HATFIELD, for his prodigious work in shepherding this matter through and would note his consternation and amazement when he heard last night that we were going to have a continuing resolution. That was not known by the chairman of the Senate Appropriations Committee, who was chairing the conference.

I think it is very regrettable because, if we were going to have the time to present this bill on the floor today, or perhaps tomorrow—it would not be unheard of or out of line for us to work on a Saturday, even if it would mean a day less of the recess. That has happened before.

These matters just do not coalesce until the very last minute. If there is more time for argument, more time for discussion, and more time for disagreement, when we finally work it out, it is an accommodation and a compromise. Nobody is really happy, and if you have more time to argue it some more, you expected to be in session last night until past midnight and then again today.

With that pressure on, we were on the verge of having an omnibus appropriations bill, which I think would have concluded the matter. It is with considerable chagrin and considerable disappointment, speaking for myself, that we are not finishing. I think it is with considerable chagrin and considerable disappointment that the American people are watching the process and seeing April 1 come and seeing a bunch of "April fools" in Washington, DC, at both ends of Pennsylvania Avenue, unable to get the matter done. There is a responsibility in both Houses, a bicameral responsibility, and a responsibility on both sides of the aisle—Republicans and Democrats are equally at fault—and responsibility at both ends of Pennsylvania Avenue, because there is no easy compromise and no meeting of the minds without an elaborate, inordinate thrashing process where the White House always wants more and some here always want less. We are on the verge of getting it done.